



**MINUTES
CITY COUNCIL WORK SESSION
August 3, 2022**

CALL TO ORDER

The meeting was called to order at 5:30 pm.

Present: Mayor: Charlie Miner; Council: Deirdre Kvale, Jahn Dyvik, and Gina Joyce

Staff Present: City Administrator: Scott Weske; and Fire Chief: James Van Eyll

Absent: Council: Mike Feldmann (with prior notice)

APPROVE AGENDA

A motion was made by Joyce, seconded by Miner, to approve the agenda as presented. Ayes: all.

OPEN CORRESPONDENCE

No one was in attendance to address the City Council during Open Correspondence.

BUSINESS ITEMS

Discussion of Proposed 2023 Budget and Levy

City Administrator Weske indicated that a rough draft of a proposed 2023 budget had been included in Council members' meeting packets but advised that he was still awaiting some numbers from Hennepin County. He reviewed some highlights of proposed revenues and expenditures in areas such as cost of living adjustments for staff, Police contract rates, health insurance increases, and bond debt service. He observed that the City's overall valuation went up \$400 million in one year based on the new assessed value of properties City wide.

Council member Kvale reflected that she believes assessed values may come down a bit.

Weske reviewed the information that he was still waiting for from Hennepin County.

The Council discussed the City's tax rate and what people pay attention to and care about when it comes to paying their taxes.

Weske reiterated that the proposed budget is very rough but asked the Council to consider what they would like to do in the event that there is a surplus, even if it was not large. He gave the example of setting aside money for future fire services, and added that his thought is that the City may want to put something away in reserve over the next few years.

Council member Kvale pointed out the perspective that the other side of the matter would be how much the City wants to tax because staff and Council have also considered raising rates for sewer and water.

Weske noted that the budget assumes that inflation will stay, but he felt that a budget surplus captured from the proposed levy could be brought down to \$300,000 and the City would still be in a good position. Other options for a budget surplus could be a transfer into the Pavement

Management Fund, the Carp Fund, or for allocating to installation of some sort of speed control measures throughout the City.

Mayor Miner commented that he was appreciative of the ideas shared by City Administrator Weske for a budget surplus, including the possibility of speed control measures throughout the City. He stated that he thought the 'your speed is' signs were fairly inexpensive.

Council member Joyce asked if the City had ever gotten the results of the speed study.

Weske responded that he did not believe they had received the results of the study. He added that to Council member Kvale's point, he would much rather see the rates for sewer and water cover their expenses.

Council members Joyce and Kvale inquired about the proposed increase in Public Works.

Weske clarified that this was a shifting of funds and noted that the budget did increase by \$54,000 but it came out of Streets and Parks. Rather than trying to divide Public Works employee salaries under different work area categories, it was easier to allocate salaries under Public Works.

Council member Joyce asked additional questions about specific line items that she was unclear about, such as Administration – Training and Instruction Materials.

Weske noted that he wasn't sure why that particular line item reflected an increase and he would need to look into it in more depth.

Council member Joyce indicated that it appears as though Dues and Subscriptions had almost tripled from what it used to be.

Weske explained that the increase was related to annual software subscriptions and the cost for utility billing increasing.

Council member Joyce asked about the proposed increase in Office Equipment and Furnishings.

Weske responded that the increase was related to the need for a new City Hall phone system because the current original analog system is no longer supported.

OTHER BUSINESS

Purchase of Command Vehicles for LLFD - Weske gave a brief overview of the agenda item on the regular Council meeting to follow the work session regarding consideration of Orono purchasing two command vehicles for the LLFD's use. The Council discussed the CIP, CIP funding, equipment loans, and the existing fire service agreement contractual terms for purchases. Fire Chief Van Eyll recalled that an order had been put in for a replacement command vehicle through a dealership in Iowa under state bid pricing which ended up getting cancelled by the dealership. The vehicles currently under consideration for purchase are from a fleet lot in Maryland that had six vehicles and now has two left. Council member Joyce commented that she was under the impression that there was a process outlined in the fire service agreement for procuring equipment. Weske clarified that the issue is that two of them were not in the budget for 2022. Van Eyll further explained that one vehicle was in the budget for 2022 and Orono had agreed to buy it consistent with the approved CIP process, which was the order that was placed and then was cancelled. He added that Orono has communicated over the past few years that they did not want to purchase any capital equipment that may be part of any division and just wanted full ownership of any equipment purchases. He indicated that one vehicle was included in the CIP for replacement in 2021, and the other was set

for replacement in 2023 or 2024. Weske questioned which command vehicle replacement was most needed. Van Eyll reviewed the status of the existing vehicles and stated that one of the command vehicles is needed because they are currently borrowing a former Orono Police vehicle, and the other command vehicle is the one he has been driving which has had some problems lately. He mentioned that they were also slated to purchase a utility truck last year and now the price has gone up \$30,000. The Council discussed equipment status and contract details for budgeted and unbudgeted purchases. Council member Joyce observed that the cities are parties to a legally binding contract for another three years and explained that she would like to see the contract terms followed. Mayor Miner noted that there is a meeting between representatives from Orono, Council member Dyvik and himself on Friday. Council member Joyce reiterated that there is a legally binding contract for this situation and, in her opinion, the agreement terms for purchases should be followed.

Vacant Parcel Adjacent to Fire Station 1 - Mayor Miner raised the question of interest in the land for sale next to Fire Station 1, for which the price was recently decreased down to just under \$200,000. The Council discussed various scenarios should Council in the future decide they were interested in purchasing the parcel of land.

Future Fire Service Discussions - Council member Dyvik shared that he felt that he and Mayor Miner were making progress in their negotiations with the two representatives from Orono's Council in ongoing fire service discussions.

ADJOURN

Hearing no objection, Mayor Miner adjourned the meeting by general consent at 6:27 pm.

Respectfully submitted,

Scott Weske
City Administrator